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Headline Summary

- November Ballot Measures
- SCAQMD Reform Defeated
- New District Tax Rates
- State Controlled Pension System

SCAQMD Reform Defeated

The State Assembly voted down SB 1387 (36-30).

SB 1387 did two things: it passes authority from the South Coast Air Quality District (SCAQMD) to the California Air Resources Board to reject rules adopted by the SCAQMD as not strict enough, and expands the SCAQMD Board from 13 to 16 members. The three new members, from local environmental justice organizations, would give the Assembly Speaker, Senate Majority leader and Governor a second appointee to the Executive Board.

PIC work continually to defeat this onerous bill. While backroom deals abounded, in the end (at 11:54 p.m. on the last day of the session) 6 Democrats voted against the bill and 15 abstained from voting. That was enough to snatch victory from defeat.

WatchDog

Guarding the Business of Print

October 2016

November Ballot Measures

Besides voting for President, U.S. Senator, Congressional Representatives, California State Senate and Assembly members, voters will decide a long list of initiatives and a referendum on the November ballot. Below is a list of the proposition number and subject matter of each item, and PIC's position on each.

Proposition 51 – School Bonds—Authorizes \$9 billion in general obligations bonds: \$1 billion, charter and vocational facilities; \$3 billion, new construction; \$3 billion, modernization of K-12 public school facilities; and \$2 billion, community college facilities.



Over the past two decades, the state has paid nearly one-third the costs of school facilities and fourteen percent of the cost of community college facilities using state bonds. The alternative forces local governments to raise property tax rates and impose higher developer fees.

Proposition 52 – State Fees on Hospitals. Federal Medi-Cal Matching Funds —Requires two-thirds legislature vote to amend existing law that imposes fees on hospitals (for purpose of obtaining federal Medi-Cal matching funds) and direct those funds to providing Medi-Cal health care services.



Proposition 53 – Revenue Bonds—Requires statewide voter approval before any revenue bonds can be issued or sold by the state for project that are financed, owned or managed by the state, if the bond amounts exceeds \$2 billion.



Calls for a statewide election each and every time the state or a state-local partnership seeks to issue revenue bonds exceeding \$2 billion to pay for infrastructure projects. General obligation bonds appropriately require a vote of the people, because the risk of default is on the taxpayers. But the risk for default of revenue bonds is on the bondholders, which makes a statewide vote unnecessary.

Proposition 54 – Legislative Transparency—Prohibits the state legislature from passing any bill, except in cases of public emergency, unless it has been in print and published on the Internet for at least 72 hour before the vote.



Controls special interest influence and gives voters more access to the legislative process.

Proposition 55 – Tax Extension on High Wealth Individuals Extends until 2031 the temporary personal income tax increases in 2012 on earnings over \$250,000 for single filers, \$500,000, for joint filers, \$340,000 for heads of households.



Passing an extension is premature since the measure was suppose to be temporary—it doesn't expire for another two years—and the state is no longer in the midst of a financial crisis.

(continued on page 2)

New District Tax Rates

New sales and use tax rates take effect on October 1, 2016, as a result of voter-approved initiatives in several cities. The tax rate changes listed below apply only within the indicated city limits. To find the correct tax rate for your area or business location, visit www.boe.ca.gov, click the light blue Find a SALES TAX RATE by Address button, and enter the address as prompted.

City	Prior Rate	New Rate
City of Compton (located in Los Angeles County)	9.00%	10.00%
City of Corning (located in Tehama County)	7.50%	8.00%
City of Isleton (located in Sacramento County)	8.00%	8.50%
City of Marysville (located in Yuba County)	7.50%	8.50%
City of San Jose (located in Santa Clara County)	8.75%	9.00%

State-Controlled Pension System

Governor Jerry Brown signed SB 1234 into law to establish a state supervised retirement fund ("Secure Choice") for private sector workers. The plan is expected to be put into effect by 2018.

The plan requires employers with five or more employees to automatically enroll participants in an individual retirement account with an initial default contribution rate of three percent, which could ultimately increase to eight percent. Employers also have the option to start their own retirement plan. Employees have the option to opt out of the program.

For the first three years of the program, the Secure Choice plan would establish managed accounts invested in U.S. Treasuries, or similarly low-risk investments. During that startup period, it is expected the board would develop other investment options to be rolled out after the initial time period.

With the signing of the legislation, California joins Connecticut, Illinois, and Oregon to implement a state-sponsored retirement plan for private-sector workers.

November Ballot Measures (cont.)

Proposition 56 – Tobacco Tax to Fund Health Care, Tobacco Use

Prevention, and Law Enforcement—Increases funding for existing healthcare programs that treat all types of cancer, lung and cardiovascular disease, oral disease, and tobacco-related diseases. **No Position**

Proposition 57 – Juvenile Criminal Proceedings and Sentencing—

Increases parole and good behavior opportunities for felons convicted of nonviolent crimes and allowing judges, not prosecutors, to decide whether to try certain juveniles as adults in court. **No Position**

Proposition 58 – English Language Education—Instead of a general ban on teaching language-learning children only in English, this ballot measure would allow county offices of education and school districts to make the final decision on bilingual education. **No Position**

Proposition 59 – Campaign Finance—Calls on California's elected officials to work on overturning Supreme Court's decision in *Citizens United v. Federal Election Commission* and other similar judicial precedents, whether through a constitutional amendment or other means.



Proposition 60 – Adult Film Condom Requirement—Requiring the use of condoms and other protective measures during the filming of pornographic films, as well as requiring pornography producers to pay for certain health requirements and checkups. **No Position**

Proposition 61 – Prescription Drug Purchases. Pricing— Prohibits state agencies from paying more for a prescription drug than the lowest price paid for the same drug by the United States Department of Veterans Affairs.



Increases what most Californians must pay for health care premiums and out-of-pocket health care costs by shifting the cost of prescription drugs from government purchasers to private payers, including employers.

Proposition 62 – Repeals Death Penalty—This initiative would repeal the 1978 law that imposes execution for the most heinous crimes. If passed, death row sentences would be changed to life without parole. **No Position**

Proposition 63 – Ammunition Sales—Bans the sale and possession of large-capacity ammunition magazines in California. **No Position**

Proposition 64 – Marijuana Legalization—Marijuana and hemp would be legal under state law, though still illegal in the eyes of the federal government. Sales would be limited to those over the age of 21. **No Position**

Proposition 65 – Carry Out Bag Funds to Support Environmental Projects—Require that any fees charged for paper or reusable bags be earmarked for environmental programs. As part of the law that banned single-use bags, those fees currently can be kept by retailers. **No Position**

Proposition 66 – Changes Death Penalty Procedures—Changes death penalty procedures to speed up the appeals process by putting trial courts in charge of initial petitions challenging death penalty convictions, establishing a time frame for death penalty review. **No Position**

Proposition 67 – Referendum to Overturn Ban on Plastic Bags—The measure is a ballot referendum, a chance for voters to either uphold or overturn the law signed by Gov. Jerry Brown in 2014 to impose a statewide plastic bag ban.



Does nothing to prohibit local government from passing a ban on plastic bags. Currently over 20 cities have done so and repeal of the statewide ban would invite more cities to pass their own ban with varying requirements and costs.

